

February 02,2021

Good Morning:

Attached please find the response received from Arch Communities / Lanagan & Co. regarding the questions and concerns submitted by the town residents in reference to the Rogers School proposal.

Please feel free to contact the Rogers Committee at any time via email at:

[Rogerscommittee@gmail.com](mailto:Rogerscommittee@gmail.com)

Thank you

Sue Loo

Chair

Rogers Committee



February 1, 2021

To: Susan Loo, Rogers School Reuse Committee

From: Arch Communities/Lanagan & Co.

Re: Residences at Rogers School Proposal

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Please see the following additional information submitted to the Rogers School Reuse Committee pursuant to the Committee's request. As previously indicated, we are available to meet to discuss further at your convenience. Additionally, our development team is available and continues to meet and discuss with members of the community to address questions and solicit feedback from residents.

The initial project design that was submitted with the proposal was designed to set back new construction away from both Chestnut and Pleasant Streets and incorporate the utility easement in a way that would provide a covered drop off area for residents. After speaking with nearby residents and feedback from the community in general, the design was modified to remain consistent with the footprint of the existing school addition and not build over the utility easement and instead end the new construction at that point. Those revised plans have been submitted to the Reuse Committee. While the design modification reduced the overall amenity space within the building, the revised plan preserves the historic Rogers School as initially proposed and maximizes green space. As indicated within the proposal, it is our intention to subdivide the parcel with the Town continuing to own the green space including the playground, essentially everything beyond the location of the proposed parking area. The parking area was designed to comply with local zoning requirements, however, discussions regarding the amount of parking are welcome with the Town. We anticipate working with the neighborhood and the Town to enhance the playground area and the green space to provide a more efficient area for the community to enjoy. This design will not impact the mature trees that are located throughout the area and all of the mature trees will remain. Our intention is for this to be a starting point for the continued review and discussion of the playground and green space area that will ultimately provide what the community wants to see.

As detailed within the proposal, the proposed development will consist of 62 apartments for seniors age 55+ with 90% of the property consisting of one-





bedroom apartments. We anticipate that the typical resident will be able to live independently and will live locally, but may not want or be able to reside in housing that no longer meets their needs. The proposed development will offer residents quality, affordable housing with important amenities such as single-level living, elevator access to all areas, efficient and cost effective utilities including central air conditioning, onsite amenity space including a community room with kitchen, fitness room and recreation space and professional property management services in a community setting that will provide much needed socialization for residents. It was our attention to set the age requirement at 55+ to be able to accommodate potential residents within the 55-62 age range who may also need this housing, however, it is possible to increase the age to 62+ if the Town prefers to increase the age requirement. There is no mandate to maintain the 55+ age requirement if the Town feels strongly about increasing the age requirement. To ensure long-term affordability and age restrictions at the property, a deed restriction will be recorded at the Registry of Deeds that preserves both the affordability and age restrictions and no changes to that restriction are allowed. With 90% of the apartments designed as one-bedroom units, we anticipate that a single individual or two individuals will reside in the one-bedroom units pursuant to state and local occupancy regulations. All residents will undergo a thorough screening process that involves credit, criminal, previous landlord and income certification.

In order to complete a quality development that involves the preservation and adaptive reuse of the historic Rogers School as well as the demolition and hazardous material abatement of the school addition that will be removed and the construction of the new housing, our proposal is based upon a total unit count of 62 apartments. As noted within our proposal, the costs to preserve and redevelop the historic school are significant, particularly since the school can only be repurposed with 8 new apartments (4 apartments on each the first and second floor). The school is an architectural gem and a key piece of the Town's history and we agree that it should be retained and preserved. However, the costs to complete the restoration are high and are required to be offset by the new construction. We extensively reviewed both the basement space and the attic levels for potential living space within the historic school, but determined that they are not appropriate and/or feasible for housing. The basement level features smaller windows and the below ground space is not an area that we feel is appropriate for senior housing and the upper level also has challenges with unusually high window heights and horizontal structural supports that significantly impact the ability to provide sufficient unencumbered access to that space. Additionally, the number of units that has been proposed are required to generate sufficient sources to complete a quality redevelopment including necessary construction proceeds as well as providing sufficient operating revenue to support onsite professional property management personnel, long-term





property maintenance and operating costs such as landscaping, utilities, real estate taxes, insurance and financial expenditures. Reducing the size of the property decreases the sources available to complete a quality development and impacts the operating revenue that is required to maintain a professionally managed property.

In terms of specific design questions including those related to the site plan such as the location of trash receptacles, lighting, as well as construction materials, colors, windows, etc., we anticipate engaging in ongoing discussions and incorporating feedback from the community and the Town throughout the process. As previously noted, our approach to the design of the project involves meeting with Town Departments and members of the community to review design plans and incorporating that feedback into the design. As a whole, our design intention is to preserve the historic appearance of the Rogers School and design the new construction to aesthetically coincide with the school and the architectural historic elements displayed throughout the center including the historic color palate, window design configuration and appropriate lighting fixtures.

For the questions relating to both community funding and timeline, both sections of the proposal narrative have been posted below:

### **Community Revenue and Participation**

It is anticipated that the development team and the Town will negotiate a Tax Incremental Financing Agreement (TIF), or similar, that will set the project's real estate tax liability over a ten-year period. The TIF Agreement will also help facilitate other sources of funding with requirements of TIF Agreements. In addition to the TIF Agreement, the project will request from the Town for a contribution of local funds as required by the state funding agency when tax credits and other funding sources are allocated to projects in that community. While there is no set formula or designation for specific funding sources, typically projects receive funding from local CDBG, CPA or HOME programs depending upon availability. We have included \$550,000 from the Town of Fairhaven's CPA program within our development budget as the redevelopment of the Rogers School will qualify as a historic preservation and redevelopment project and will also be creating affordable housing for the Town. Due to the extensive scope of redevelopment of the historic portion of the Rogers School that will yield only 8 apartments, the demolition of the addition and the anticipated hazardous material abatement necessary within the school and the addition, we are also requesting relief from any Town building fees including the Building Permit fee.



## **Timeline**

Following developer designation by the Town, our development team will complete all necessary due diligence documentation needed to submit a funding application to the Massachusetts Department of Housing and Community Development for tax credits and soft funding sources. Required due diligence will include a market study, appraisal, environmental assessment as well as detailed architect and engineer drawings and site plans. During this time, our development team will also be working with the Town of Fairhaven to secure all required local approvals for the development. In addition to site control, local site approval and zoning approval for the project is a requirement for funding.

The following is a list of key items that will need to be completed as part of the funding applications for the project:

- Phase I/21E environmental report and subsequent studies, if needed.
- Geotechnical analysis.
- Appraisal and market study completed by approved entity.
- Site control in form of Land Disposition Agreement/Purchase and Sales Agreement allowing for sufficient timeframes to secure funding and hold until closing.
- Planning and Zoning approvals for the project.
- Architectural plans for interior and exterior, property survey, site plan, stormwater plan.
- Letters of support from Town of Fairhaven personnel and local agencies, State Representative, State Senator, etc.
- Complete financial pro forma including construction and operations.
- Construction and Permanent Lender term sheets and Letters of Interest from equity investors.

Each agency operates separately and independently of each other and has funding rounds scheduled at different times throughout the year. Application rounds for the competitive 9% tax credit allocated by MA DHCD are typically due annually in February of each year with a Pre-Application round due in December. To be eligible for the Pre-Application round, projects are required to have completed the above including having all local approvals secured prior to the application. Due to the high demand for tax credits allocated by the DHCD throughout the state, we anticipate that it will take two rounds to secure the necessary funding to formalize the purchase of the property and begin the construction phase of the project. That





being said, our development team will immediately begin the design and local approval process after developer designation with the plan on receiving site and zoning approval to be eligible for the next Pre-Application round. During that time period, we envision meeting with Town personnel, Fairhaven community groups and the Rogers School neighborhood to complete a design that incorporates community input and feedback. We estimate that the construction phase will be approximately 14 months followed by a 6-month lease-up period. Pursuant to the requirements of the tax credit program, the ownership entity will maintain ownership of the property for a minimum of fifteen years as evidenced by Arch Communities continued ownership all of its tax credit properties developed to date.